Vol. 14, No. 19 May 14, 1963

The trend in Italy is clearly down. The initial shock —everyone had been predicting the Communists would lose substantial public support—will now be smothered by the statistical faith-healers, who will come up with yet another chapter in the endless book on Liberalism-as-the-most-effective-antidote-to-Communism. Before going down for the third time, throw out this life-saver: the increase (2.3%) in the Communist vote is large enough, by American electoral standards, to make the difference between a loss and a landslide victory. One million more Italians voted for the Communist Party than five years ago.

And during the recent period the Communists have been having their own considerable troubles. The Party is split between the followers of Khrushchev and the old-line Stalinites. The flow of money from Moscow was cut down, and several Communist dailies went out of business. There is high tension in the Party over Moscow's oscillating position on intellectual freedom. Kennedy agreed to withdraw the Jupiter bases at just the moment when the Communists were cranking up an election campaign based on Jupiter-Go-Home. . . .

What happened? How much did the Pope's recent behavior have to do with damaging the Christian Democratic Party, which is widely thought of as the Catholic Party? Did some voters interpret his recent encyclical as abrogating the ban Pius XII had laid down on cooperation with the Communist Party in any form? Did the Pope abrogate Pius XII's proscription? What did the Italians who voted Communist think they were voting for? Obviously not social security, aid to education, peace corpsmanship in international affairs—they have all that. Did they go Communist because they genuinely wish to transfigure Italian society in pursuit of Marxism? Do they know what Communism is all about, and if not, is theirs a soul-sickness which no government can hope to tend to; or has Christian-Democratic flatulence positively furthered illusions about Communism? These are questions, along with the others, the whole West will be studying in the days and months to come, especially those Italians who thought the Opening to the Left was an opening through which Italians were supposed to pass from left to right. In fact the traffic has been in the other direction. Meanwhile, over on the Right, advocating such things as firm anti-Communism, firm anti-Fascism, firm anti-socialism, freedom of enterprise, and the rule of law, the Liberal Party, Italy's ray of political hope, doubled its vote (to 7%), picking up more new members than the Communists.

NATIONAL REVIEW

The Failure of Fanfani p. 1

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BULLETIN

THE WEEK

■ **PHASING OUT THE STAR SPANGLED BANNER?** Lester Lanin, the New Frontier's favorite dance bandsman, says that his recorded version of *Hail to the Chief* is now being used on 160 radio stations instead of the national anthem. H.M. FCC are pleased with the change.

■ **THERE ARE THREE OFFICIAL LAOSES.** The one the Liberals think about is neutral, but needs a little help from the West to tide it over some internal governmental difficulties. The second is neutral but is under attack from the Chinese Communists (the *New York Times* calls them "pro-Communist"), and the "rift" between Moscow and Peiping means that the U.S. can't do anything about the problem. The third is neutral but is in danger of a Communist coup directed from Moscow; so Averell Harriman, the author of the present catastrophe, went to Moscow with a secret message, and came back with a secret smile. But the *real* Laos is a Brenner Pass to all of Southeast Asia, and a battleground between Communism and the Free World. Senator Symington said the way to take the military pressure off Laos is to cut it at the root—at Hanoi, in North Vietnam, where the Red Chinese gather for the southward conquest. "We have spent billions of dollars in that area," said Symington. "At some time we have to show that we are willing to take a risk."

■ **WIN, DRAW OR LOSE,** no one cares what happens to Pres. François Duvalier of Haiti, whose rule has been marked by brutality, corruption and chicanery.

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His 3.5 million subjects, who are 85% to 90% illiterate (public education is compulsory and free), are among the poorest people in the world. But the present near-war situation between Santo Domingo (now headed by a State Department-approved leftist, Pres. Juan Bosch) and Haiti has its strategic dangers. Castro has already mounted one unsuccessful raid against Haiti (Aug. 1959) and should the present crisis cause Duvalier's overthrow and a power vacuum in Haiti, a Castro-oriented government could result.

■ **HOW YOU GOING TO KEEP THEM DOWN ON THE FARM?** wondered the House last week during the debate on the Medical Aid Bill, as evidence piled in that fewer and fewer doctors and dentists return to small towns and rural areas on graduation. The solution proposed in the bill is to grant loans to students and waive up to 50% of the principal and interest if they agree to practice in areas where the state medical authorities decree a shortage of medical personnel. Most Southern Democrats supported the provision, and it passed handily. Liberal pundits proclaimed the passage a victory for the Kennedy program and an augury of good times ahead, but some observers suggest that victory was achieved only because so many Southern congressmen come from areas with a real doctor shortage.

■ **THE UN CENSURED PORTUGAL,** despite Portugal's clarion denial that it had had anything to do with the damage to one mud hut and minor injury to one young man in Senegal. But terrorists operating out of the UN's Congo protectorate have killed 10,000 natives in Portuguese Angola, and for this, too, according to the United Nations, Portugal is to blame.

■ **INDONESIA'S BUNG KARNO,** never reluctant to demonstrate his friendship to the Communists, had Liu Shao-Chi, Red

ON THE LEFT

Peace Fallout. "Peace/disarmament" runaway favorite topic in Left, Communist press. . . . Moderate world-wide turnouts for Easter peace marches, protests, oration. . . . Aldermaston (England) peace march veteran reports long, lonely march as last absolute sanctuary of free love. . . . Pope John's new encyclical *Pacem in Terris* being widely hailed in the leftist press as a pacifist declaration; Women Strike for Peace, whose best friends won't tell them, took prompt advantage of the encyclical and bundled a 30-woman delegation off for a papal audience. . . . Second edition of the *International Peace/Disarmament Directory* now available ($1; 327 Dayton St., Yellow Springs, Ohio) listing some 1,400 groups and subgroups, 350 publications; editors feel peace issue transcends "petty differences of political affiliation," etc., and do not attempt to categorize the political leanings of listees (range: harmless to straight Communist). . . . A world-wide general strike for peace (a revolutionary stratagem) is scheduled for May 8. . . . *New York Daily News* headline sums it up: EXTRA BOBBIES PROTECT QUEEN FROM PACIFISTS.

The Communist world's vested interest in perpetuating Fascism, or at least its shadow-existence, for *deus ex machina* strategical purposes, compels it energetically to Make Believe that, well, consider this sick-joke ad in the April 14 *Worker:* "Never to forgive—Never to forget, the 20th Anniversary Commemoration of the Warsaw Ghetto Uprising. . . ." One feature of the celebration was the "Jewish Philharmonic Peoples Chorus, Maurice Rauch conductor, in a program of Ghetto songs." A covering *Worker* editorial recalled "the Ghetto struggle in which people of all political views, Socialists, Communists, Zionists, religious and non-religious, fought and died side by side." It did not recollect the Nazi-Red attack on Poland in 1939; nor the Red Army assist in crushing a subsequent Warsaw uprising by Polish patriots of the underground army, in which the nucleus of postwar resistance to the Communist takeover was systematically murdered. No doubt Ghetto survivors are much relieved to know that the Communists haven't forgotten.

The threat of Carl Braden to turn the appeals case of Thomas Wansley, an 18-year-old Negro convicted and sentenced to death for the rape of two white women, into a *cause célèbre* carries with it the weight of a strong *apparat,* centered in the Communist-front Southern Conference Educational Fund (which Braden represents). Braden has a long history of pro-Communist agitation in the South in connection with the SCEF, the Emergency Civil Liberties Committee and the *Southern Newsletter,* all Communist fronts; he has been identified before the House Committee on Un-American Activities as a Communist, and himself became something of a leftist *cause célèbre* by refusing to testify before the Committee, for which he served a year in jail.

Color it Red. Each Sunday the *New York Times* carries a map of the world situation in its Review of the Week section. Sunday last, April 28, having doggedly seen it as unaligned, for the first time the map placed Cuba in the Communist bloc.

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China's head of state, over to his Jakarta bungalow for a little Afro-Asian solidarity. At the close of the visit, a communiqué expressed Indonesian solidarity with Red China on such matters as the India border dispute and the unification of Korea and Vietnam under Communist regimes. Both parties felt that the imperialist thrust through Malaysia should be swiftly bunged. The McGee Report, which calls on this country to cut aid to Korea, Free China, and South Vietnam, suggests that we increase aid to Indonesia.

■ **THE CLASSROOM REVOLUTION CONTINUES.** Last year's major victory for sound instruction, symbolized by Dr. Rafferty's election as California school chief, is mirrored in New

Emmwood *London Daily Mail*

"Lissen, Limey, smile when you mention the name of the greatest livin' American!"

York City's selection of Dr. Calvin Gross on April 15 as Superintendent of Schools. Within two weeks of his appointment Dr. Gross stood up and told a thousand educators that schools should abolish such frills as driver training; make English a principal subject; encourage "the able" to develop into leadership; devote more work to "talent retrieval" at the bottom of the class (and don't pass 'em on if they haven't done the work); and in general return public instruction to a course based on the requirements of intellectual development.

■ **STALEMATE AT THE UN** as the 21-nation committee investigating the financial mess fails to suggest a solution. The backward countries on the committee recommend a soak-the-rich plan by which more than three-quarters of the cost of military ventures would be paid by "industrialized" nations. But France and Russia won't contribute to the Congo expenses, and the U.S. is sticking by its refusal to pay more than 32.02% of the costs. Proceeds of the bond sale will be exhausted by June. Unless the U.S. weakens, the United Nations will be forced out of the Congo by December.

■ **ROCKEFELLER'S NEWS MANAGERS** are not amused when reminded that Mrs. Murphy got her divorce on April Fool's Day.

PEOPLE

Sen. **Keating** pressing Administration on Laos. He challenges Pres. **Kennedy** to outline, step by step, Administration counter-moves if the Laos situation continues to worsen. . . . Rep. **William Cramer** (R., Fla.) in a wide-ranging attack on Cuban developments, described the Kennedy policy as "talk big and carry a wet mop." . . . Cordiality on **Fidel Castro's** part toward international prisoner broker **James Donovan** worrying some Administration critics. They fear Donovan may be middleman in possible Castro-Kennedy Deal. . . . **Miró Cardona** charges that with the leashing of the Cuban exiles hope for the "liberation of Cuba is fading."

Soviet officials increasingly touchy over world criticism of Berlin Wall. When Foreign Minister **Gromyko** was questioned about it by Norwegian journalists he finally covered his ears with his hands and shouted: "I don't want to hear it anymore." . . . **Ilya Ehrenburg** reportedly still refusing to re-edit the second part of his memoirs dealing with the **Zhdanov** period (late forties) under **Stalin,** despite pressure from Central Committee of the Party. . . . Winners of Lenin Peace Prize this year include atom spy **Bruno Pontecorvo,** who defected to Moscow in 1950, and Pres. **Modibo Keita** of neutralist Mali. . . . Keita's former sidekick in the We-Love-Moscow African group, Pres. **Sékou Touré,** making gestures of friendship toward the pro-Western Monrovia group. . . . **Ben Bella** strengthening his hold over Algerian government with ouster of **Moussa Hassani,** the #3 man. Ben Bella, who now holds five key portfolios in his own government, expected to entertain Castro en route home. . . . Best seller in London, the **Radcliffe** report on the **Vassall** spy case. The report criticized sensationalized newspaper reporting of the case.

Voted down by the House, proposal of Liberal Rep. **William Fitts Ryan** (D., N.Y.) that federal payments be cut off to schools practicing segregation. . . . **Clare Engle** (D., Calif.) joining **Harrison Williams** (D., N.J.) in sponsoring legislation in the Senate to repeal section of Taft-Hartley Act permitting states to enact right-to-work laws. . . . Recent California poll shows former Senator **William Knowland** the front-runner among possible GOP candidates to oppose Engle next year. . . . Nothing phony about strenuous efforts by Ohio's Gov. **James Rhodes** to cut state expenses if bureaucratic howls are good indices. (They are coming through loud and clear, but the governor seems not to be listening.) . . . **Richard Durant,** labelled extremist, etc. by **George Romney** during campaign, is suing for a million bucks; may even get it.

When asked what would happen if Labor wins the next British election, Sir **Roy Welensky** (head of disintegrating Federation of the Rhodesias and Nyasaland) commented: "They might stab us in the breast and not in the back." *I.e.,* like the Tories.

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☐ FOCUS ON . . .

GOLDWATER FOR PRESIDENT

The Goldwater for President movement, dominated by the National Draft Goldwater Committee (box 1964, Washington 25, D.C.) is humming. All systems last week were running A-OK. *U.S. News and World Report* published a lengthy story that leaned heavily on the analysis of William Rusher (published in NATIONAL REVIEW last February) to the effect that only Goldwater could hope to beat Kennedy in 1964. The Gallup Poll, published on Sunday, April 28, showed for the first time a sharp movement in public opinion, away from Rockefeller (down from 49% to 43%), toward Goldwater (up from 17% to 26%). Editorial writers and columnists throughout the country are taking the movement seriously.

Meanwhile in Albany, Rockefeller's problems multiply. The scandals in the state liquor commission tarnish his reputation as an effective administrator. His proud record for "fiscal integrity" is threatened as state expenses grow. A front page story in the *New York World Telegram*, which has always been a strong supporter of Rockefeller, explains the funny-money techniques by which he has "balanced" his budget. Only five years ago Averell Harriman was governor, and was widely denounced as a wastrel. He spent $1.8 billion during his last year. Rockefeller will spend $2.8 billion this year. Harriman spent 1.1 million on his personal staff. Rockefeller spends $2 million.

And there is Mrs. Murphy. Everyone now expects that the Governor will marry her next week. Some political pros go so far as to say that that single act will prove crucially disqualifying. Rockefeller is reported ready to gamble—hoping that crushing primary victories will show that divorce and remarriage—even under his own, apparently frivolous, circumstances—will not keep a man from the Presidency in our time. Goldwater backers are especially anxious under the circumstances to get Goldwater to consent to run in at least one big early primary to clinch Rockefeller's defeat. Goldwater so far unwilling. The first primary: New Hampshire, January 10.

Ray Bliss of Ohio, who delivered the unexpected victory for Nixon in that state in 1960, and is widely thought to be the single man who can successfully outmaneuver the Democrats' John Bailey, is leaving Ohio this fall, and will go to Washington. Goldwater has always been a Bliss supporter, and the general mystery surrounding Bliss' move suggests the possibility of a liaison.

The Gallup Poll revealed an especially interesting trend in the movement of independent sentiment for Goldwater. Since February, Rockefeller has fallen from 50% to 40% in popularity among independents. During the same period Goldwater advanced from 13 to 22%.

Supporters of Goldwater have hit on a way of dramatizing their enthusiasm for him. At a big meeting in Washington last week, when the speaker was, as usual, citing the names of Republican divinities, he got through Eisenhower, Rockefeller, and Nixon with polite applause. After the word "Senator" the crowd refused to wait for "Goldwater," but went into pandemoniac enthusiasm (a dangerous trick—the next speaker may have Javits in mind).

☐ WHAT'S AHEAD

SOUTHERN PURGE

There's more behind news stories that the Administration plans to purge a select list of anti-New Frontier Southern representatives than meets the eye. This is a long-range operation, unlike the Franklin Roosevelt attempt in 1938, which misfired so badly that most of the purgees were re-

Capital Bulletin

Dateline — *Washington*

It is now accepted as fact in many informed circles that President Kennedy's "victory" over Comrade Khrushchev in the Cuban crisis of last October was based not on U.S. firmness but on a series of concessions which make Yalta seem like child's play. Even the Administration's denials have lost their passion—and the major hope among Democratic strategists is that the Cuban issue can somehow be swept under the rug.

Latin American observers here openly state the belief that, in order to get a token withdrawal of Soviet missile forces, President Kennedy (in a series of letters to Khrushchev which he has refused to make public) acceded to Fidel Castro's major demand—that the U.S. refuse to permit raids on Cuba from U.S. soil or from bases in other American States. Mr. Kennedy also agreed to the withdrawal of IRBMs from Turkey and Italy. The Pentagon now argues that this withdrawal had been in the works for months. But it is significant that the Administration vigorously denied any intent to break the ring around the Soviet Union until right after the Kennedy-Khrushchev correspondence began.

○ Assistant Defense Secretary Arthur Sylvester, the Administration's news-managing chief, continues to play a numbers game on the question of Soviet troops in Cuba. So far, only withdrawals have been announced. That the Soviets are rotating their troops in order to prevent disaffection and desertion has, however, been substantiated by

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turned to office with landslide votes. Bobby Kennedy is the mastermind of the present move and what he's trying to do is not so much to get rid of, say, William Jennings Bryan Dorn of South Carolina or other individual Administration foes, but to knock down voting barriers, force redistricting, generally reshuffle the South so that conservative Democrats will find it harder going at the polls. Insiders say Bobby knows and is prepared to lose some Democratic seats in the South next year, but that he believes the stakes are worth it: he's looking forward to a Congress of the future in which the key Committee posts won't be in the hands of the Richard Russells, Harry Byrds, Otto Passmans and Howard Smiths.

Incidentally, the national Democratic leadership has been caught off balance by premature disclosures of the purge attempt. The press broke the story after it was discovered that the AFL-CIO COPE had more or less threatened that it would withhold support from any Southern Democrat who didn't have a gold-plated ADA rating. The Administration, to placate the union leaders, had intimated (but not for publication it thought) that that was its opinion, precisely.

NUCLEAR TESTS

The Joint Chiefs of Staff are worried about our failure to carry out atmospheric nuclear tests. Testimony before the Senate Armed Services Committee shows unanimous belief that testing is needed to devise an effective missile defense. Top scientists believe Russia may be ahead of us in anti-missile missiles and in yield (megatons per warhead). The Administration is continuing to overrule military opinion in the interests of world opinion, but it is expected that such defense-minded senators as Goldwater and Symington will try to rally congressional opinion in favor of early testing.

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intelligence authorities. They have also informed key senators and representatives that the U.S. has no way of knowing what kind of missiles are hidden in Cuban caves.

○ The Cuban situation—and the response to the Administration's organized persecution of the Cuban exiles—has some value to the Administration. For it has obscured the crisis in Laos. Foreign policy failures are the responsibility of the President, and Mr. Kennedy must stand condemned for allowing the tiny but strategic kingdom to drift to the edge of the whirlpool. Laotian policy, however, is largely the product of Under Secretary of State Averell Harriman's AC-DC mind. It was Mr. Harriman who conceived of the plan to promote peace in Asia by torpedoing the anti-Communist and pro-American forces in Laos. It was Mr. Harriman who insisted that what happened in Laos was "not important." And it was he who urged the President to accept the Soviet-designed *troika* which was to bring tranquility to Laos by delivering it to a government including the Communists.

As everyone—with the exception of Mr. Kennedy, the State Department, and their loyal rooters—predicted, the Communists used the "truce" to widen their holdings. Where they once occupied one-tenth of Laos, they now hold well over one-half. And the utter bankruptcy of Administration policy can be read in the words of White House spokesmen who see the solution to the problem in Mr. Harriman's cap-in-hand mission to Moscow and what are hailed as Comrade Khrushchev's promises to curb the Pathet Lao Communists. The news managers, however, are getting their signals crossed. On the same day, the *Washington Star* headlined: "U.S. Watches Laos for Peace Efforts Pledged in Moscow" and the Associated Press found American officials "somewhat encouraged." But the *New York Times* headline gave it all away by stating that "Khrushchev Fails to Give Promise of Help on Laos", and the drop added: "Premier Does Not Indicate to Harriman That He Will or Can Stop Pro-Reds." The difference, of course, was that the *Star* was reporting from Washington. The *Times* story came from Moscow—filed before the long arm of news management could reach out.

○ The major suppressed story of the past weeks concerns the efforts of the American Embassy at New Delhi to prevent private financing of a $1.5 billion steel mill in Bokaro, India. In the debate over the use of foreign aid funds for construction of this government-owned mill, it is repeatedly said by Administration spokesmen that it was the will of the Indian government to build this government-owned competitor to private industry. The facts, however, are somewhat different.

The original plans for Bokaro called for private financing. Early in 1961, U.S. Steel indicated interest in the project. In December 1961 a tentative deal was made, under the terms of which one-third of the money would come from U.S. Steel, one-third from an Indian financier, and one-third from U.S. aid funds. Several weeks later, however, the U.S. Embassy in New Delhi informed the Indian financier that both the American government and U.S. Steel favored a government-owned plant. When the financier asked for an opportunity to present his case for a private steel mill, he was refused. At the same time, the Indian government was told that the U.S. demanded a government-owned plant.

In short, Ambassador John K. Galbraith's staff actively intervened to prevent the construction of a private mill which would have cost the American taxpayer one-third rather than all of the final bill. Since the bureaucrats moved in, the Bokaro project has bogged down in red tape—to the point that U.S. Steel has lost interest and, in fact, now recommends that no mill be built at all.

QUINCY

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At Home

From time to time this column has taken note of the rehabilitation campaign being conducted in behalf of certain loyalty-security casualties of a decade ago.

The fall from glory of such as Alger Hiss and Owen Lattimore in the late '40s and early '50s constituted a severe blow to the Liberal apparatus, which has for years conducted American policy on the principle that there are no enemies to the Left. This fatal proposition has now been exhumed, and no effort has been spared to expunge the historical record which proves it wrong. This means pre-eminently, brushing up the tarnished reputations of such as Hiss and Lattimore and Lattimore's journalistic sidekick, Edgar Snow.

The drive to restore such people to eminence apparently stems from a belief that the public cannot recall anything which happened at a distance of ten years or more. The same premise, involving a slightly shorter time span, is evident in the case of Julius Robert Oppenheimer.

Oppenheimer was dismissed from the American atomic energy project in 1954 after an exhaustive hearing on his associations and activities over the preceding two decades. Since then he has presumably been meditating in injured quietude at the Institute for Advanced Study in Princeton, New Jersey. His partisans in scientific, journalistic and government circles, however, have been a good deal more active, conducting strenuous agitation designed to prove Oppenheimer an American Dreyfus persecuted by wilful men in Washington. Their objective: to obtain an *ex post facto* exoneration concerning the 1954 charges, and to have Oppenheimer reinstated in the atomic energy program.

This campaign crescendoed into a stunning victory last month when the Kennedy Administration named Oppenheimer as this year's recipient of the Fermi award—a $50,000 prize conceived as an official appreciation for contributions to the study of atomic energy. Precisely on cue, Oppenheimer's incense-bearers in the press and elsewhere acclaimed the award as the righting of an ancient wrong.

Revocation of Robert Oppenheimer's security clearance in the American atomic project was first recommended by a special panel headed by the esteemed educator, Dr. Gordon Gray. The recommendation, based on a hefty 922-page record of testimony, was upheld by a 4-1 vote of the Atomic Energy Commission itself. Among the particulars influencing this verdict were revelations:

1. That Oppenheimer contributed money to the Communist Party through the period of the Hitler-Stalin pact up until sometime in 1942.

2. That his wife had been a member of the Communist Party.

3. That his brother Frank had joined the Communist Party in 1936 or 1937 for a period of approximately four years.

4. That his intimate friend, Jean Tatlock, was a member of the Communist Party.

5. That he frequently consorted with a fellow traveler named Haakon Chevalier.

6. That Steve Nelson, a well-known Communist, was a frequent guest in Oppenheimer's home.

7. That Oppenheimer lied either to a military intelligence agent, or the Gray Board itself, concerning an attempt by Chevalier to obtain information about the atomic bomb.

8. That he had recommended an identified Communist, Giovanni Rossi Lomanitz, for work in the atomic project during World War II.

Canvassing these and other facts, the Gray Board came to the following conclusions:

"1. We find that Dr. Oppenheimer's continuing conduct and associations have reflected a serious disregard for the requirements of the security program.

"2. We have found a susceptibility to influence which could have serious implications for the security interests of the country.

"3. We find his conduct in the hydrogen bomb program [Oppenheimer fought the development of the H-bomb] sufficiently disturbing as to raise a doubt as to whether his future participation, if characterized by the same attitudes in a government program relating to the national defense, would be clearly consistent with the best interests of security.

"4. We have regretfully concluded that Dr. Oppenheimer has been less than candid in several instances in his testimony before this Board."

When Oppenheimer appealed this judgment to the full Atomic Energy Commission, that body came to the following verdict:

"We find Dr. Oppenheimer is not entitled to the continued confidence of the government and of this commission because of the proof of fundamental defects in his 'character.'. . . The record shows that Dr. Oppenheimer has consistently placed himself outside the rules which govern others. He has falsified in matters wherein he was charged with grave responsibilities in the national interest. . . . "

And: "The work of the military intelligence, the FBI, and the AEC—all, at one time or another, have felt the effect of his falsehoods, evasions and misrepresentations. Dr. Oppenheimer's wilful disregard for the obligations of security is evidenced by his obstruction of inquiries of security officials. . . ."

And: "We find that his associations with persons known by him to be Communists have extended far beyond the tolerable limits of prudence and self-restraint. . . . These associations have lasted too long to be justified as merely the intermittent and accidental revival of earlier friendships."

That's the man who, thanks to the Kennedy Administration, will soon pocket $50,000 of the taxpayers' money.

M. Stanton Evans

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MOSCOW **Field Exercise**

The execution of the Spanish Communist leader, Julian Grimau García, provided the High Command with an ideal opportunity for a psywar test run of the international apparatus. The Kremlin is well pleased with the results. Within a few hours large-scale operations were underway, involving not only the Party cadres and fellow travelers, but all of the Left and a considerable portion of the general press. The fact that Grimau was

Abroad

one of the most vicious of the GPU butchers in the Spanish Civil War and that he has continued his professional revolutionary activities ever since was effectively blotted out of public notice. But the High Command was above all assured by the proof of the continued totality, immediacy and flexibility of its control over the apparatus and its auxiliaries. Within 24 hours, in remote villages of Sicily, Bolivia, India and Ghana, black-bordered posters were proclaiming the assassination of Grimau by the Fascist murderers. Intellectuals, editorial writers, columnists and many government officials chimed ritualistically in. Nowhere was there any serious or organized effort to expose the carefully organized fraud.

BEIRUT **Nasser Ascendant**

Old Near Eastern hands, for whom this city has long been the principal intelligence base, are convinced of the following: 1) Nasser can engineer the overthrow of the governments of both Jordan and Saudi Arabia, and their addition to his sprouting Arab Empire, at the time of his own choosing. 2) The United States will not make any serious attempt to block this development, because a) Washington is politically committed to Nasser, and b) the shift will be from "reactionary" to "progressive" regimes, in line with New Frontier principles. 3) The only conditions that the State Department wants to impose are, a) no major change in the oil treaties, and b) no overt military action against Israel.

PEIPING **Legend in the Making**

Hard-pressed Communist China has found its own "Stakhanov" and is building the legend of Lei Feng with all the propagandist skills at its disposal. Lei Feng, an obscure soldier of the revolution and later a steel worker who consistently exceeded his quota, setting an example of proletarian virtues and Communist energy, was killed in an accident last summer. Since then the Lei Feng fever has swept the country. Public organizations, trade unions, youth leagues and army units rhapsodize over Lei Feng's valiant struggles against adversity and urge their members to emulate his example in "the glorious revolution led by Comrade Mao." One of the high points of his life, reports the Communist Chinese *Youth Daily*, was when he publicly accused his family's landlord of a host of crimes and was gratified also to be able to witness the landlord's subsequent execution.

ROME **Plea to a Cardinal**

"Your Eminence [Cardinal Mindszenty], we understand that the four Ks, Khrushchev, Kennedy, Kadar and [Cardinal] Koenig, are trying to persuade you to leave your refuge and abandon Hungary. We have read of the enticing offers you have received. Thanks to Monsignor Capovilla and high officials of the Church you are offered a nice room with bath and a good job in the Vatican library. We implore you not to abandon your post. In this time of decadence and compromise, we, Catholics of the West, look to you as toward a lighthouse which shines through the storm. You are our light; the symbol of the Church, martyred and victorious; of the Church of Christ which does not compromise, because one is with God or against God and there is no middle way. Your Eminence, do not give way. You are of concern to each of the four

News of the World

"Jackie says tell Nina to brown it first, then add a dash of mixed herbs and simmer slowly . . ."

who have laid siege [to your resolution]: to Kennedy because you stand in the way of his direct contacts with Khrushchev; to Khrushchev and to Kadar because so long as you remain on Hungarian soil the oppressed people of Hungary, and Catholics on the other side of the Curtain, will continue to hope; to Cardinal Koenig and his peers because your heroic conduct, Eminence, gives the impression that the priests of Christ must, following the example of the early martyrs, refuse all compromise with Evil." (Giovanni Guareschi, in an open letter appearing in *Borghese.*)

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BUSINESS

WAS THAT A BULL MARKET that went whizzing by? Is the best yet to come? Is it merely profit-taking that has slowed the advance of the most vigorous stock market of the last three years?

The herd watchers of Wall Street (of either bulls or bears) were asking themselves those questions as they observed the seemingly unpredictable reactions, responses, rebounds and retreats of an unprecedentedly large investment-minded public.

There were days when so many people placed orders with their brokers that volume on the exchanges touched the record for normal trading days. There were others when, on less volume, prices soared toward the high marks threatening to send the popular averages to new all-time records. Again, unaccountably, the investors' enthusiasm would abate—abate but never quite die. And the wonderful earnings reports continued to come in.

The veterans among the observers would agree on only one thing; that it would be foolish to make any predictions for the immediate period ahead. On the longer perspective they were commonly in agreement. They generally foresee rising stock prices and a busy market.

They base their observations on two factors: first, the continued outlook for record-shattering sales (and perhaps profits) for many of the corporations; and second, the imminent prospect of another inflationary nudge which will drive more savings into the unusually inflation-proof haven of common stocks.

A few days ago the Bureau of Labor Statistics released its cost-of-living figures for March. They were higher than for March last year, which had set a record. In spite of regular reiterations that inflation is not a serious factor in the American economy, it continues to take its toll with a nearly constant erosion of the dollar. Coupled with the hard figures is the probability of a record-setting federal budget deficit which, because it creates cheap money, also induces inflationary pressures.

Another factor is the steel price increases which, though "selective," are becoming more general as time passes. Steel users—the manufacturers who fabricate things out of steel—are also talking about passing along to their customers some of the increased costs they'll be paying to the steel producers.

UNDERWAY ARE THE HEARINGS of the Congressional Joint Economic Committee headed by Sen. Paul H. Douglas (D., Ill.) called for the purpose of investigating the steel pricing, but it has been reported quite openly in Washington that the inquiry will be broadened into a penetrating probe of the broad business structure, touching nearly every major basic industry.

All pricing policies will be under study. The effect will be to put the Administration on record as being opposed to inflation, and direct the public's attention to business—particularly big business—as the culprit that causes it.

After all of the discussions about a new tax program the nation still remains without either tax reform or tax revision, as the President's tax proposals continue bogged down in the House Ways and Means Committee.

President Kennedy has received a statement of policy from five prominent business leaders (a group headed by Henry Ford II) which, in effect, suggests a compromise plan to substitute for the Administration's program. It suggests steep corporate rate reductions (to 47%); "substantial" cuts in individual tax rates, and a sharp cut in federal spending to eliminate budgetary deficits.

It's not a policy the Administration welcomes, but inasmuch as the business group was formed at the suggestion of the Treasury, it indicates a willingness on the part of the Administration to accept the verities of the opposition.

& Briefs

Cars are being bought at a rate which exceeds that of 1955 when an all-time record sales year was reported. While attentive investors are watching the stocks of the auto manufacturers, others, sophisticated in the ways of the market, are taking note of those companies which supply the car builders. Their earnings are also soaring.

One of the prime economic indicators points sharply upward as March orders for machine tools register a 37% rise over the same time last year. This means that capital expenditure outlays by business are far outstripping the meager increase predicted for them by the Administration advisers.

The "Fact Book" of the New York Stock Exchange reveals that the number of shareowners in the United States now totals 17 million, up from 6.5 million owners in 1952. That total is identical with the number of members in AFL-CIO unions.

Experts in the business are looking for a strong upsurge in new housing starts within the next two months, stronger even than had been predicted either at the beginning of the year or a month ago. They see suddenly altered plans by many families who had previously decided not to move, and availability of mortgage money in the banks and savings and loan associations.

The price of short-term money has been firm for some time and there are indications that it will go higher. As a result, numerous public-owned commercial banks expect improved profits this year.

The liberalized depreciation allowances granted last year are cutting into earnings, but not enough, say some top analysts, to prevent this from being the most profitable year in history for U.S. corporations.

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